



**Department of Information Resources
TexasOnline 2.0
Request for Offer DIR-TXO-001**

Addendum #3

This Addendum to Request for Offer DIR-TXO-001 contains a revision to RFO Section 4.7.3.8 References and the Official Answers to Vendor Questions in accordance with Sections 4.3.3 of the RFO.

- **Revision to RFO**

Section 4.7.3.8 References, second paragraph has been deleted and replaced with:

In addition to the detailed five references, Vendors must also submit a client list for all work done within the United States within the last four years. The client list must include a contact name and contact information (title, telephone number, e-mail address and street address), for each contract with a total contract value of at least \$10 million.

- **Questions and Answers**

1. What are all of the network services being run by IBM? Do IBM network services extend to the firewall level, include FTP, mail, etc? Please provide a comprehensive list of IBM-run network services.

Answer: Under the Data Center Services Agreement, Team for Texas is responsible for the equipment and LAN that resides in the state consolidated data centers. Team for Texas is not responsible for WAN equipment (managed by DIR Communication Technology Services) or other components that reside outside of the data center. There is no consolidated email or FTP service provided, however Team for Texas supports FTP and email services for each participating entity in accordance with the DCS Agreement Statement of Work (Exhibit 2). Firewall services are provided by IBM from an enterprise perspective to protect both the DMZ and core data center LAN. The due diligence process will provide an opportunity for the selected Vendor to outline specific areas that the Vendor may want to interrogate further.

2. The RFO states that IBM will take over security tools, services, escalation, etc. IPS, Tripwire, PCI support, etc. Will IBM be required to maintain, operate and integrate with winning vendor's security program to ensure continued secure environmental systems and application safety? Will IBM be required to obtain PCI certification on services?

Answer: DCS includes a security program to support the state data centers which includes intrusion protection and detection. Application security remains the responsibility of the TexasOnline 2.0 Vendor. The Vendor's response should include a discussion of interface points with Team for Texas and/or how it proposes to interact with Team for Texas security. The due diligence process will provide an opportunity for the selected Vendor to outline specific areas that the Vendor may want to interrogate further. The vendor providing the payment processing system must obtain PCI certification. The awarded Vendor is responsible for managing PCI compliance of all appropriate applications and participating entities.



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3. Will the winning vendor be required to upgrade applications to obtain PCI compliance? Does vendor need to be PCI certified on services?

Answer: Appropriate applications will be required to be compliant. Non-compliant applications will be remediated as negotiated by the parties to the new Agreement. Any vendor providing services that require PCI certification must be certified.

4. Does IBM provide full application Disaster Recovery Testing down to the application level or is it limited to infrastructure setup?

Answer: DCS Disaster Recovery program targets the application. Team for Texas is responsible for recovering the infrastructure and restoration of the last good backup. Team for Texas will coordinate with TexasOnline 2.0 Vendor to ensure that application integrity and consistency exist after restoration, in accordance with the disaster recovery plan. Application remediation, including detailed testing and any application changes required, is the responsibility of the TexasOnline 2.0 Vendor.

5. Does DIR want to include the Comptroller in the Governance authorities list with regard to USAS certification? Also, may the vendors propose governance processes and authorities (sic) that extend beyond the processes and authorities listed in the RFO? For example the following areas of governance are not addressed: Finance Oversight and Management, Contract Oversight and Management, USAS Certification, PCI Compliance.

Answer: USAS interface requirements and acceptance test processes are described in RFO Section 2.4.3.4: 1) Fiscal Policies and Procedures for Electronic Processing of Revenues and Expenditures (APS 029) (https://fm.xcpa.state.tx.us/fm/pubs/aps/29/08-09/aps_029.pdf) and 2) ePay Payment Services Specifications document available in the TexasOnline 2.0 Resource Room. These requirements and processes will be adhered to by the Vendor. DIR will consider and evaluate alternative governance solutions that are included in the Vendor's Offer.

6. The cost to the Current Vendor to support the transition to the New Vendor are (sic) not clearly identified as the responsibility of the New Vendor. Will the proposing vendors be required to acknowledge responsibility for the transition costs of the Current Vendor in the offer? If so, where? If not, how will DIR ensure that the Current Vendor's transition costs are paid by the New Vendor?

Answer: No, the proposing Vendors are not required to acknowledge responsibility for the transition costs of the Current Vendor in the Offers. Section 11 of the Second Renewal Agreement provides in part as follows: "Based on a transition budget mutually agreed to by both parties, which shall not include routine operating costs, costs incurred by BEARINGPOINT and/or a Contractor



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associated with transition activities will be borne by DIR or the Contractor.” Details regarding the payment of transition costs will be negotiated with the awarded Vendor.

7. Can the vendor add additional categories to reflect staff with greater than 8 years experience?

Answer: See Appendix E.1, Staffing Projections, Version 2. In the E.1 Instructions tab at the very bottom of the instructions, it states: "Vendors are not required to provide FTE information down to the labor code ID or the level of experience."

8. Vendors are required to submit a client list for all contracts over \$5 million for the last four years with contact information for each. As a company that provides services in the global market, this is an extensive list. Can the scope of this request be re-defined to the United States in the Public Services Market, and can the amount be raised to \$10M to better reflect the scope and value of the current contract? Can the amount be specified for contracts completed in the last four years with a total spend of \$XM?

Answer: The scope of the client list required in RFO Section 4.7.3 has been revised. Refer to the “RFO Revision” section of this Addendum #3 for the revised requirements.

9. Will IBM provide SSL security certificates provided to ePay-only customers?

Answer: The provision of the SSL certificate depends on where the application is hosted. IBM will provide the SSL security certifications for the applications that are hosted in the DCS.

10. The Checklist for Response Preparation clearly articulates the requirements for Title Page, Transmittal Letter, Vendor Certifications, Table of Contents, and Section 1. However, in sections 2-13, is it DIR's intention that the RFO References for each section are addressed in the sequence they are listed for each "Mandatory Offer Component"?

Answer: Yes, it is the intention of DIR that the RFO References for each section in the Checklist for Response Preparation be addressed in the sequence listed. Vendors are encouraged to clearly label their responses so that the RFO references are clear.

11. In our references for comparability, should the proposing vendors provide volume and transaction metrics by application and contract? Should the proposing vendors provide revenue share for each contracting state?

Answer: Vendors should provide information relevant to the bulleted items listed in RFO Sections 4.7.3.6 and 4.7.3.8. The items listed in the question are examples of such information.



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12. Please clarify what is intended by “A vendor...that provides equitable compensation to DIR for intellectual property development will be evaluated more favorably.”

Answer: DIR is interested in increasing the financial return to the State by receiving compensation for intellectual property development funded through TexasOnline 2.0. For example, an application may be developed by the Vendor for TexasOnline 2.0 that may be licensed to other states or entities. Such licensing opportunities may result in revenue that Vendor may propose to share with the State. Such a proposition will be evaluated within the specific criteria more favorably than an Offer that does not have such a proposition.

13. The RFO references the need for GIS applications to be “interoperable with other State enterprise GIS systems.” What enterprise technologies are currently in use for GIS?

Answer: The State of Texas has not selected a preferred vendor for enterprise geospatial web mapping technology. State government agencies and universities are primarily using geospatial web mapping technology from the following sources: ESRI, Google, Microsoft, and OGC compliant open source software.

14. Is the state currently using a help desk knowledge base tool? If so, what tool is it using?

Answer: The subcontractor responsible for help desk does use a knowledge base tool. That tool is proprietary to the subcontractor.

15. The state released an RFO in March for Regulatory Software and Services. Did the state ever award that contract? If so, to whom?

Answer: The Regulatory Software and Services RFO (DIR-SDD-TMP-110) has been awarded to multiple vendors. You may reference the DIR Current Contracting Initiatives page at <http://www.dir.state.tx.us/store/ci/index.htm> to review the awards.

16. Does this contract contain or specifies that successful vendor will have “UNLIMITED” LIABILITY. (as stated on previous contracts from other agencies).

Answer: The question is ambiguous as liability is addressed throughout the RFO. Liability is an issue involving business risk, and each Vendor should consult its business and legal advisors.

17. What level of PCI compliance is required from the parties involved?

Answer: Since TexasOnline processes more than 6 million credit card transactions per year, the Vendor will be required to follow the PCI requirements for a "Level 1" merchant.



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18. Govt Code § 2054.2591 (b) states that “The authority shall charge a state agency or local government a fee for all services provided to that entity.” This statute appears to prohibit the provision of free services to state agencies or local governments. How does DIR intend to provide services with no charge considering the language in this statute?

Answer: Texas Government Code, § 2054.2591 (b) must be read in conjunction with § 2054.2591 (a), which provides that the department shall set fees at amounts sufficient to recover the direct and indirect costs of a project. If there are no costs to recover, based on the budget and project Business Case, then the fee set is \$0.

19. Public-Private Partnership: In order to correctly distinguish between an outsourcing contract and a true public-private partnership, please clarify the State’s definition of “public-private partnership” with regard to revenue share, risk share and decision making.

Answer: The role definitions and criteria for the public-private partnership in the context of TexasOnline 2.0 are defined in RFO Sections 2.1 and 2.2.

20. What is the actual HUB % paid to HUB vendors by BearingPoint o (sic) the initial contract?

Answer: The most recent HUB participation percentage reported by BearingPoint is 26%.

End of Addendum #3